BTEC Assignment Brief

Qualification	Pearson BTEC Level 3 International Subsidiary Diploma in Business Pearson BTEC Level 3 International Foundation Diploma in Business Pearson BTEC Level 3 International Diploma in Business Pearson BTEC Level 3 International Extended Diploma in Business
Unit number and title	**Unit 11: Financial Statements for Public Limited Companies**
Learning aims	**A:** Examine the end-of-year financial statements for a public limited company **B:** Explore the statement of cash flows of a public limited company **C:** Undertake shareholder ratio analysis for public limited company accounts
Assignment title	Final Accounts for Public Limited Companies
Assessor	
Issue date	
Hand in deadline	

Vocational Scenario or Context	You have been researching the financial sector and the many career opportunities available, as you are interested in working in the financial sector. You have discovered that all companies, across every industry, will need someone who is good with numbers, and you are interested in working in finance. You are working to improve your finance skills and are currently on work experience at an accountancy firm as a trainee accounts assistant. You have been given a case study with data on two public limited companies in the same industry to work with. For Company A this includes the information required to prepare financial statements and shareholder ratios for this year. For Company B you have the information required to calculate shareholder ratios for this year. You will need to demonstrate to your work experience employer your current skills and knowledge. This involves carrying out independent research, and, using the given data on the two companies, creating a number of financial documents and reports.

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Task 1	You are first asked to show your knowledge of accounting concepts and standards. You have been asked to examine the end-of-year financial information for Company A plc. Using your independent research and knowledge, as well as information from the case study, write a report for Company A. This must include: ● a discussion and assessment of the relevant accounting concepts and standards used in the preparation of financial statements ● the final accounts at the year-end for Company A using the financial information supplied i.e. a statement of comprehensive income (profit and loss statement) and statement of financial position (balance sheet) including calculation of accounting adjustments. ● an evaluation of the significance of these statements to the different stakeholders of Company A to include o shareholders o customers (debtors) o suppliers (creditors) o employees o directors o managers o potential investor o government o lenders o public and environmental groups.
Task 2	You have now been asked to explore cash flow statements. You have been given last year's statement for Company A, and the information to complete this year's statement. Using independent research and information from Company A, you must write a report that evaluates the financial position of Company A for current stakeholders. This will include: o an analysis of the changes in the financial position of the company from one period to another. o an explanation of the purpose of a cash flow statement and complete a cash flow statement for the company in accordance with the format in IAS7, using the data provided.
Task 3	Using independent research and knowledge, the information given in the case study, and the final accounts you have created for Company A, you are required to write a report on shareholder ratio analysis. Your report must include:

	● a description of the main purposes of shareholder ratios ● a discussion on the merits and limitations of ratio analysis for a limited company ● calculation and analysis of the results of the following ratios for BOTH Company A and Company B: o dividend per share o dividend yield o earnings per share o dividend cover o price/earnings ratio o gearing ratio ● an evaluation of the financial position of Company A for current and potential shareholders, using shareholder ratio analysis.
Checklist of evidence required	● 3 Individual reports
Criteria covered by this task:	

Unit/Criteria reference	To achieve the criteria you must show that you are able to:
11/A.D1	Evaluate the significance of financial statements to different stakeholders of a public limited company.
11/B.D2	Evaluate the financial position of the limited company for current stakeholders, using the statement of cash flow.
11/C.D3	Evaluate the financial position of the limited company for current and potential shareholders, using shareholder ratio analysis.
11/A.M1	Discuss and assess relevant accounting concepts and standards used in the preparation of the financial statements for a public public limited company.
11/B.M2	Analyse the changes in the financial position of a limited company using a statement of cash flow.
11/C.M3	Discuss the merits and limitations of ratio analysis for a limited company.
11/C.M4	Analyse the results of the shareholder ratios for two limited companies in the same industry.
11/A.P1	Outline and apply accounting concepts and standards.
11/A.P2	Calculate adjustments to public limited company accounts.
11/A.P3	Prepare end-of-year financial statements for public limited companies.
11/B.P4	Explain the purpose of a limited company's statement of cash flows.
11/B.P5	Complete a limited company's statement of cash flows.
11/C.P6	Describe the main purposes of shareholder ratios.
11/C.P7	Calculate shareholder ratios for two limited companies in the same industry.

Sources of information to support you with this Assignment	**Websites** www.businesscasestudies.co.uk The Times 100 has economics and business case studies. The site also has a selection of theory notes aimed at learners. http://accounting-simplified.com/financial/statements/

	types.html This website has free financial accounting tutorials.
Other assessment materials attached to this Assignment Brief	Information on Company A and Company B